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ABSTRACT

The intent of this field tested instructional package is to acquaint the student with the element of management as it functions in the production of goods and services. Defining behavioral objectives, the course description includes a media guide, suggested classroom activities, and sample student evaluation forms as well as the basic information needed in the production of goods and services, an example of an organizational outline for industrial management, the three basic types of ownership that exist in industry, and an explanation of the decision-making process. (Author/MW)

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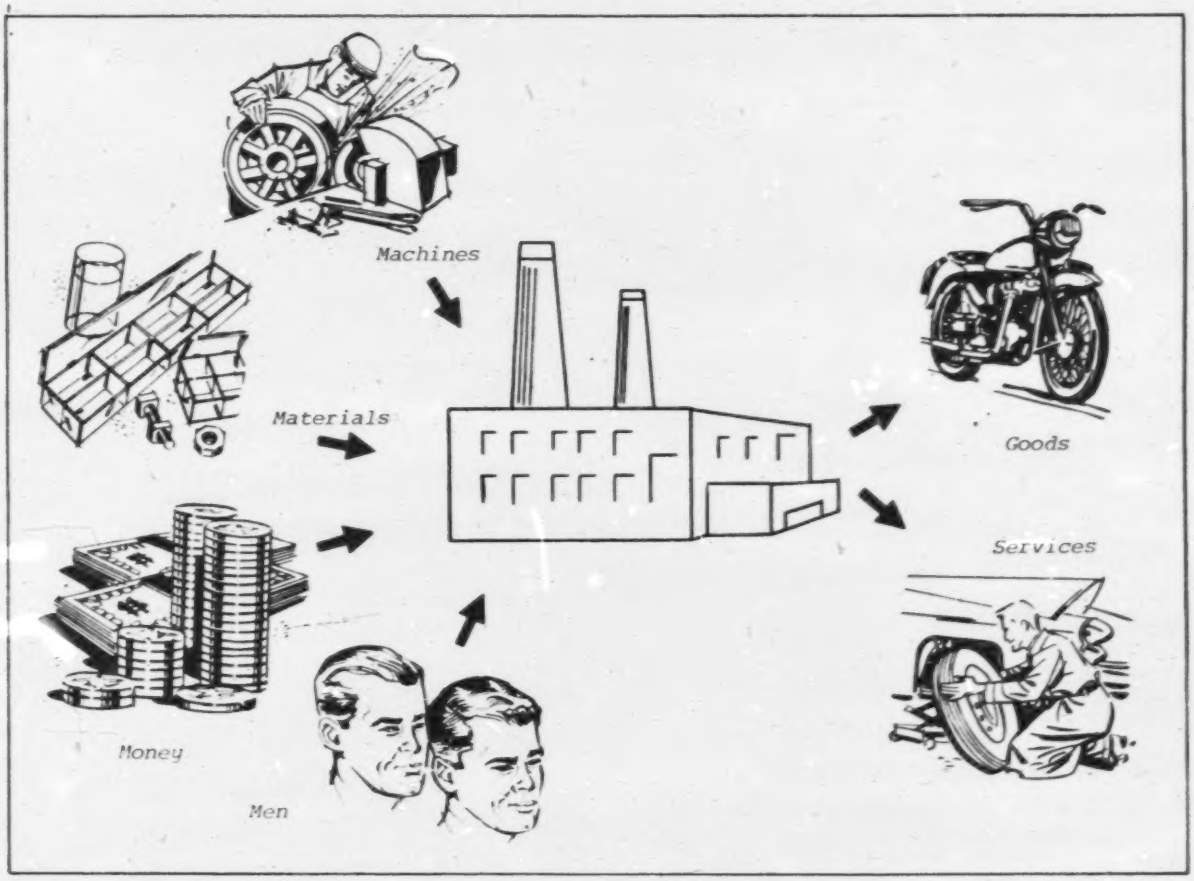
HOW DOES INDUSTRY USE MANAGEMENT



Prepared as an Aid in Implementing
The Wisconsin Guide to Local Curriculum
Improvement in Industrial Education, K-12

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Learning Activity Package

Prepared as an Aid in Implementing
The Wisconsin Guide to Local Curriculum
Improvement in Industrial Education, K-12

Management

Junior-Middle High School

Pertaining to Field Objective Numbers One and Three

"To work with the management element of industry
to gain an understanding of how it functions
in producing goods and services."

"To explore the context in which management
has developed and continues to develop."

Produced by

The Industrial Education Instructional
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University of Wisconsin-Stout

RATIONALE:

In today's society we, as well as business men, are forced to make decisions. We must make decisions everyday, we must decide: What are we going to do on the weekends; if we are going to try out for the swim team; what are we going to do with our allowances; who are we going to ask to the dance; if we are going on to college, etc.? These are just a few decisions that might confront us in a single day.

Decisions, Decisions, Decisions, that's what life and management is. As you saw in our last enterprise, decisions had to be made at various times. Who had the final say on how many products to produce? Was it a single individual or the Board of Directors? Who decided how much to charge for a share of stock? All of these problems took organizing, planning, and implementing to arrive at answers. This is basically what management involves.

The reasons we are studying management is so that you will be able to experience: the attributes and phases of good management, the types of ownership in industry, and decision-making situations.

Now turn to the next page to read the objectives carefully.

OBJECTIVE:

Terminal Objective:

To work with the element of management to gain an understanding of how it functions in producing goods and services.

Enabling Objectives:

At the conclusion of this lesson, you will be able to, either orally or in writing:

1. Define management including its attributes.
2. List and explain the six phases of management which are needed in the production of goods and services.
3. Construct a simple organizational outline of a given enterprise.
4. List the three basic types of ownership that exist in industry, giving definition and advantages and disadvantages of each.
5. Take any given situation concerning management decision-making, and demonstrate your understanding for solving this situation using the "decide" process for solving problems.

Options: Read the self-test on the following pages and then check the following selections that apply to you.

_____ If you feel you can meet the above objectives:

_____ A. See the instructor for teacher evaluation.

_____ B. Take the self-test as a self evaluating device. Then see your instructor.

_____ If you feel you cannot meet the above objectives:

_____ A. Take the self-test to see what objectives your studying should be based upon, then turn to the media section on page 5.

_____ B. Skip the self-test and turn to the media section on page 5 to help you achieve the objectives.

Self-Test

Directions: Complete the following questions; you may write in this booklet.

1. In your own words, define the term management including its attributes.

2. List and explain the six phases of management which are needed in the production of goods and services.

3. Construct a line type organizational outline of your family.

4. List the three types of industrial ownership, defining each and listing the advantages and disadvantages of each.

5. Using the "Decide" process for solving problems, solve the following situation: On a rainy evening you and your father were driving on a two lane highway at fifty miles per hour. As you drive around a sharp curve, you see a car 100 yards ahead that has crashed into a truck, blocking one lane. What can your father do to avoid another accident?

MEDIA SECTION

Objective Number 1: Define management including its attributes.

Optional Media: Check one or more.

___ 1. OT: Management.

___ 2. Student Booklet, Organizing an Industry, pages 1-3 and 19.

___ 3. Business Management by Ludlow and Kronish, 1965, Monarch Press.

___ 4. Read pages 7 and 8 of this package.

Instructions: When you feel you can meet this objective, complete activity assignment - Management I & III-1A or 1B.

Objective Number 2: List and explain the six phases of management which are needed in the production of goods and services.

Optional Media: Check one or more.

___ 1. OT: Management: The Attributes of.

___ 2. Student Booklet, Organizing an Industry, pages 3-16

___ 3. Business Management by Ludlow and Kronish, 1965, Monarch Press

___ 4. Read pages 8 thru 10 of this package.

Instructions: When you feel you can meet this objective, complete activity assignment - Management I & III-2A or 2B.

Objective Number 3: Construct a simple organizational outline of a given enterprise.

Optional Media: Check one or more.

___ 1. Student Booklet, Organizing an Industry, pages 19-22.

___ 2. Business Management by Ludlow and Kronish, 1965 Monarch Press.

___ 3. Read pages 10 thru 13 of this package.

Instructions: When you feel you can meet this objective, complete activity assignment - Management I & III-3A or 3B.

Objective Number 4: List the three basic types of ownership that exist in industry, giving definition and advantages and disadvantages of each.

Optional Media: Check one or more.

___ 1. OT's: Corporation; Partnership; and Individual Proprietorship.

___ 2. Student Booklet, Organizing an Industry, pages 16-18.

___ 3. Business Management by Ludlow and Kronish, 1965, Monarch Press.

___ 4. Read pages 13 and 14 of this package.

Instructions: When you feel you can meet this objective, complete activity assignment - Management I & III-4A or 4B.

Objective Number 5: Take any given situation concerning management decision-making, and demonstrate your understanding for solving this situation using the "Decide" process for solving problems.

Optional Media: Check one or more.

___ 1. OT: Management Decision-Making.

___ 2. An Introduction to Comtemporary Business by Rudelius, Erickson and Bakula, pages 110-112.

___ 3. Read pages 14 thru 17 of this package.

Instructions: When you feel you can meet this objective, complete activity assignment - Management I & III-5A or 5B.

INFORMATION SECTION

What is Management?

Management is merely an efficient means of organizing all facets necessary to carry out a job. It has the responsibility to see that the entire organization runs smoothly. Managers are people who organize and coordinate the ideas of management. They are decision-makers who communicate with those beneath them of what is to be done, when it is to be done, and how the work is to be performed. Instead of doing the laborous work themselves, managers have the ability to motivate other employees to do their jobs. In other words, managers are people who work through other people.

Management is necessary for industry to survive. Armies, churches, and schools require management for their programs to function. Today's modern businesses would be lost without a directing management force. Men must team with other men if a company's operations are to be coordinated and goals achieved. Our economy would be in chaos without management, products could not be sold, and future plans would not exist. A manager may be compared to a light switch. He starts movement in the company when he makes proper decisions. A manager is a human switch who keeps business moving in the proper direction.

Managers are employees of a company. The company owes its financial success to their ability to accomplish the company's goals.

Management does many things. Some of its functions include the following:

Supervise the production and marketing of goods; takes charge of production and quality control; supervises the layout of plants, assembly lines, and machines; determines wages and benefits; establishes the goals of the business; and makes decisions on sales, research, personnel, etc.

To summarize management, a definition must be constructed that includes its attributes. Management includes the following attributes: 1) guiding and directing, 2) industrial activities, and 3) efficient manner. Therefore, we may conclude that management is the "guiding and directing of industrial activities in the most efficient manner."

Six Phases of Management:

To further understand management, it is necessary to identify the six ingredients of it. These phases or ingredients are organizing, planning, implementing, operating, controlling, and improving. Let's clarify each of these phases.

Organizing: This is the facet of management which deals with the combining of people and facilities in the manner most likely to achieve the purpose of the company. It also includes organizing many departments and areas of the business. A properly organized business will save time and energy in its business activities and will also avoid duplicating of efforts by personnel.

Planning: This is the process in which future actions are determined based upon available information. Planning attempts to foresee coming events that may have a bearing on the company's future. A plan may con-

cern only one area of the company or it might involve the entire company; it may only pertain to a single day or it may be based upon many future years of effort; it may come from a memo by someone in authority or it may develop from indepth studies for a planning committee. No other phases of management can take place until planning takes place. Production schedules must be planned, communication techniques established, financing planned, etc. Planning never ends if a company wishes to succeed. The foundation of management is planning.

Implementing: After a company adopts plans, they must put them into practice. This is implementing. Implementing is the action taken to put the plans into action. For this to take place smoothly, without upsetting the functioning of the enterprise, there must be constant communicating between each department. The reason is that changing operations in one part of the business might drastically affect operations in other parts of the business if the people are not aware of the changing situations.

Operating: These are the actions necessary to continue in business and fulfill the company's goals. Management must coordinate the individuals, groups and departments to work as a team in order for the company to operate successfully. The operation of a company requires good communication, all persons should be aware of the entire operation, not only their particular role, so the team effort can be applied. Customer satisfaction is what keeps a business operating. Without customers there would be no business.

Controlling: This is the process of directing, guiding, and restraining powers to assure that the company's activities conform to the goals of the business. In controlling the results of planning, implementing, and operating, they are compared to the original ideas that were thought to happen. Control starts when management decides to do something and continues until it is completed. In controlling, management "checks up" on what has taken place. Management controls by supervising, auditing, and evaluating.

Improving: This is a phase of management which provides a means to advance present and future goals of the business. For any company to expand and meet competition, it must be abreast to improved methods at all times. Without improvement the company falls behind in processes, materials, methods, etc. It is important that management keep an accurate record of the progress, problems and phases of the business as it grows. This points out to them where improvements can be made in production and staffing.

Organizational Outlines

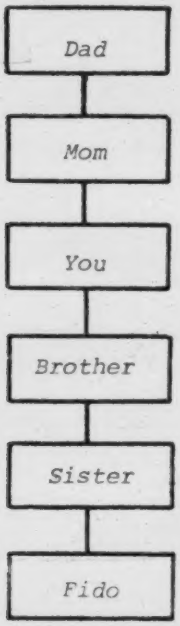
Soon we will want to set up our own enterprise. In order to do this we should include management. As you have already read, management is important to have a successful enterprise. An enterprise must have that force which guides and directs its activities in an efficient manner.

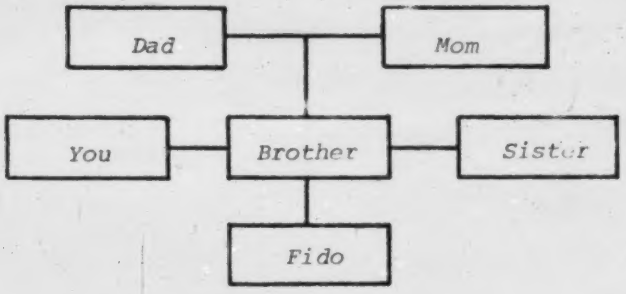
To establish management in our enterprise, we must develop a structure so that all of us can see who is responsible to who and what people must do what jobs. An easy way to do this is by constructing a line organizational outline. Examples of the line type organization are the following:

"WHO'S BOSS!"

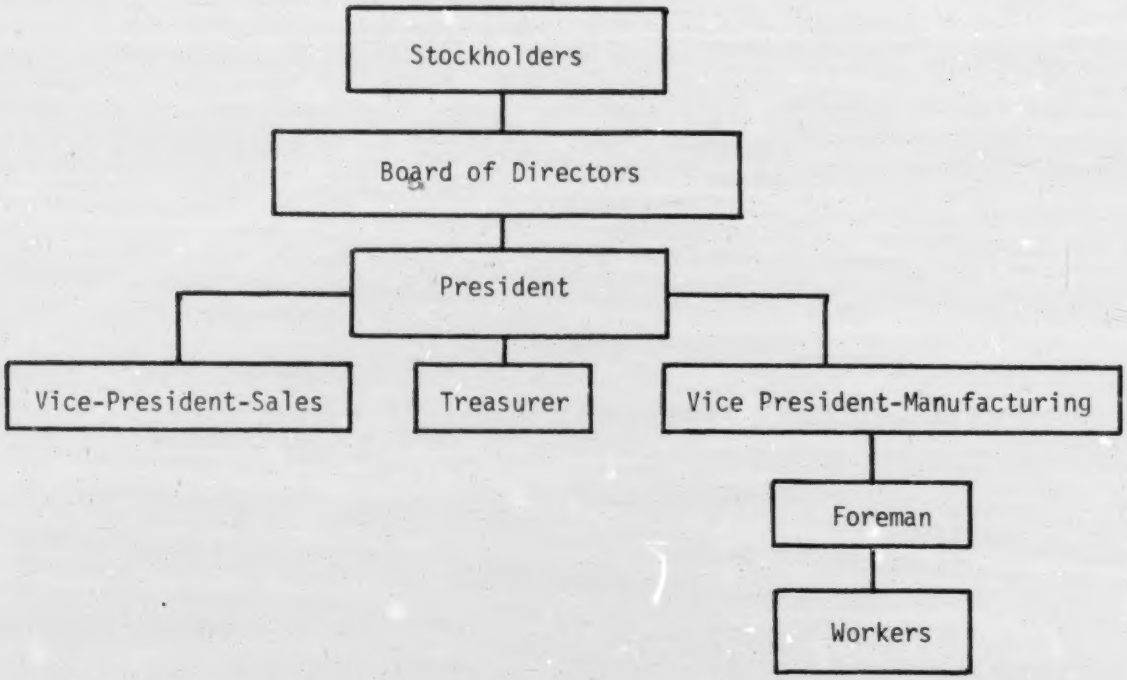
Who has the "final say" in your home? Dad or Mom? Usually it's Dad, isn't it? Let's start at the other end. Suppose you lived in a home that had a family of five, plus a dog, and that you were the oldest child and had a younger brother and a still younger sister. If you had five chairs in a room and were all asked to sit down, which one in your home would not get a seat? Your dog would have to remain on the floor, wouldn't he? Why? Isn't he the one who has the least amount of authority? If you had only four chairs, who would be the next in line to be "left out?" Probably your younger sister? We could follow this all the way up through your younger brother, you, your mother, and finally your dad. (If he wasn't polite and would not let your mother have a chair.)

You could draw up a chart to show you the line of authority. Here are two examples.





Another example is the organizational outline of a goods or service producing company. Following is the outline:



In this structure, the chart shows that the stockholders control the company. When charts are drawn up to show the structure of the company, the person or group that is located at the top has the most authority. The group directly below this, on the chart, is responsible to the group directly above them. This procedure follows throughout the entire chart.

The advantages of the line type organization are the following:

a) It is easy to set up.

b) It is flexible and can be changed rather easily to meet the situation.

c) There is no doubt who is in authority.

d) The person at the top of the line has control over the entire enterprise.

From this example you should be ready to construct a line type organization of your next enterprise.

Types of Industrial Ownership:

If we are going to establish our own enterprise, we should understand the types of ownership involved in any business. There are three types of industrial ownership. These are individual proprietorship, partnership, and corporation.

Individual Proprietorship. It is the owning, organizing, and operating of a business by an individual under his own name. The attributes of an individual proprietorship are the following:

a) Assumes all risks.

b) Limits capital available and human abilities.

c) Receives all profits.

d) Responsible for making all decisions and evaluating results.

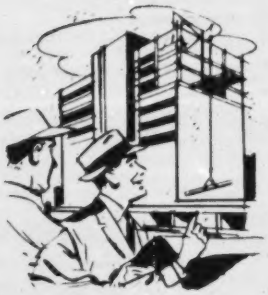
Partnership. A partnership is a business in which two or more individuals jointly assume full responsibility in the owning, organizing, and operating. The major aspects of partnership are the following:

a) Share risks and profits.

b) Provide additional capital and human abilities.

c) Provides for division of responsibilities.

Corporation. In this form of ownership, the organization is authorized by Federal or State governments under which the business assumes a seperate identity and responsibility that is limited to only this organization. The attributes of a corporation are the following:



a) Personal risk is limited to investment.

b) Provides for possibility of large pool of money and human abilities.

If we take these three types of ownerships and compare them, we will find that they differ on the basis of liability, sharing profits, and the amount of capital available. Below is a table comparing the types of ownership.

Liability		Profit Sharing		Capital Available
Individual Prop.	Most	Individual Prop.	Most	Corporation
Partnership	↕	Partnership	↕	Partnership
Corporation	Least	Corporation	Least	Individual Prop.

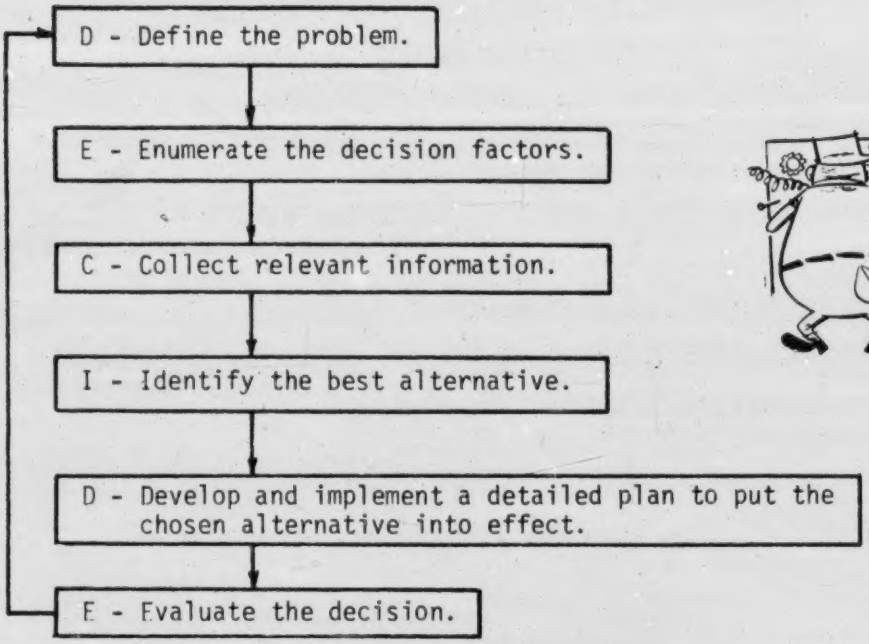
Management Decision Making:

Making decisions is the essence of management. By combining thought and action, management tries to overcome the uncertainty that is involved in every business activity. It would be wrong to assume that only businessmen make important decisions.

Every day we have to solve problems by making decisions, no matter if we are at school or work, or playing or shopping. Decision-making involves both time and money, and no one can deny that making decisions is not hard work.

In this section we are attempting to set forth a systematic approach to solving problems using the "Decide" formula. Using this formula, it is hoped you will be able to solve most problems successfully. Following is the decide formula.*

*Taken form An Introduction to Contemporary Business, Rudelius, Erickson, and Bakula, pages 110-112.


D - Define the problem.
E - Enumerate the decision factors.
C - Collect relevant information.
I - Identify the best alternative.
D - Develop and implement a detailed plan to put the chosen alternative into effect.
E - Evaluate the decision.

"D" - Define the problem. Here you must identify the goals you wish to achieve, the limitations you wish to involve in solving the problem (time and money), and a way to decide if your selection was correct in the future.

"E" - Enumerate (specify) the decision factors. Identify all possible situations the decision maker can control and consider those factors that are beyond the control of the decision maker that might influence the outcome.

"C" - Collect information pertaining to the solution of the problem. At times this information is readily available by talking to others or reading literature. Sometimes it takes time and energy to make this information available. Surveys and studies may have to be conducted.

"I" - Identify the best possible solutions. Select the best alternatives for the solution by summarizing and condensing the information you have collected. The best or preferred solution is the possible answer to the problem.

"D" - Develop and put into practice the chosen solution. This is to see if your decision is practical and will work.

"E" - Evaluate your solution. This final step determines if your solution has been successful and has reached your goals.

Following is an example of applying the decide formula: Suppose on a rainy evening you and your father were driving on a two-lane highway at fifty miles per hour. As you drive around a sharp curve, you see a car 100 yards ahead that has crashed into a truck, blocking one lane. Your father's immediate response is to eliminate injury to you, himself, and others. He is thinking of doing this with least damage to his car and other's property (defining problem). Enumerating the decision factor (step 2) requires that your father identify the controllable and uncontrollable factors affecting the outcome of the situation. The factors that your father can control are the steering of the car and the braking distance. He can go to the right or left to avoid the accident or try to stop in time. Factors he cannot control are the slipperiness of the highway, due to the rain; the distance he can see because of the rain; the contents of the truck; and the location of people and debris from the accident.

What shall your father do? At this time your father collects the information pertaining to the solution of avoiding a further accident (step 3). He tries his brakes to see if he can stop in time. He stares through the windshield trying to locate the positions of people and debris. He tries to remember of past experiences of driving on the wet shoulders of highways.

Your father is a good driver and a quick thinker. He thinks of what he believes is the best solution to the situation (step 4). Now he develops a plan that he wishes to follow out (step 5). Your father

slightly brakes and turns to the left to avoid another collision, luckily no one was coming in the left lane. If you father would have collided into another car by making this decision, he may have had to formally evaluate his decision in court with a law suit (step 6).

This is just one example of using the "Decide" process for solving management problems. Some steps in decision making may take days or seconds.

Activity: Management I & III-1A Name _____

Period _____

What is Management?

Question: In your own words define management including its attributes.

Activity: Management - I & III-2A Name _____

Period _____

Management's Phases

Question: List the six phases of management involved in the production of goods and services and explain each.

1.

2.

3.

4.

5.

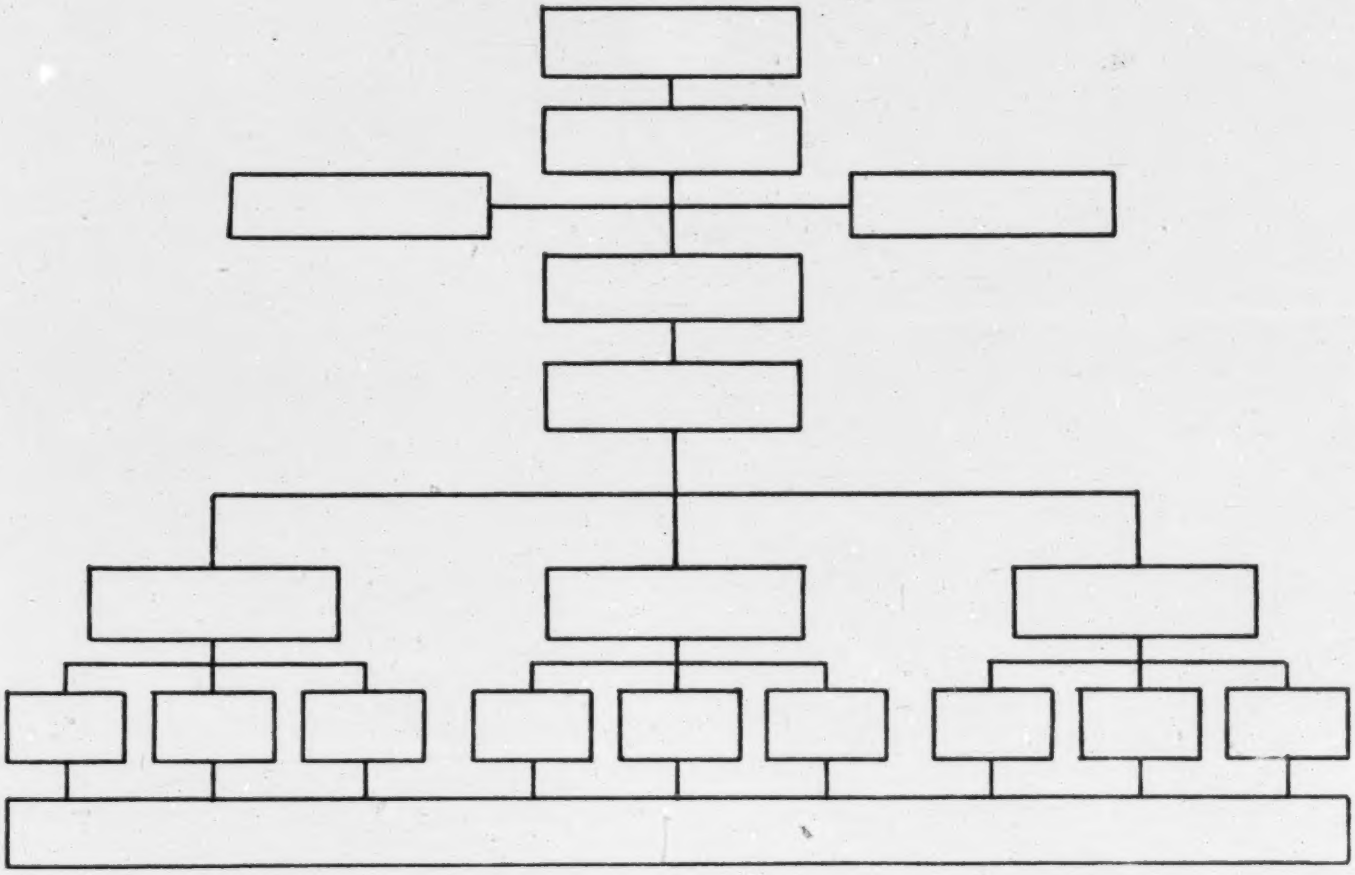
6.

Activity: Management - I & II-3A Name _____

Period _____

Newspaper Organizational Outline

Procedure: Take the newspaper positions listed below and place them into the proper position on the chart.



1. Printers
2. Reporters (2)
3. Company Truck Drivers
4. Editor
5. Newsstand Owners (3)
6. Paper Boys (9)
7. Customers (1,000)
8. Chief Reporter

Activity: Management - I & III-4A Name _____

Period _____

Ownership

Question: List the three basic types of industrial ownership including their advantages and disadvantages.

1.

2.

3.

Activity: Management - I & III-5A Name _____

Period _____

Camping Trip

Procedure: You and your parents are going to go tent camping. Below is a list of camping equipment. List all equipment into categories (shelter, sleeping, cooking, and miscellaneous). Then select which equipment is most important and which is least important. Place a number 1 in front of the most important item and a 20 in front of the least important item. You should rank all items with the other numbers between 1 and 20.

___ Sleeping bags

___ Car-top storage container

___ Ice chest

___ Portable stove

___ Flashlights

___ Portable toilet

___ Hammer

___ Folding chair

___ Tent

___ Can Opener

___ First-aid kit

___ Insect repellent

___ Matches

___ Fishing pole

___ Coke

___ Food

___ Water

___ Pots and pans

___ Long-handled tongs

___ Saw

*The teacher may want to involve the entire class in this activity.

Activity: Management I & III-1B Name _____

Period _____

What is Management?

Materials:

1. Poster board or index paper
2. Colored markers or pencils
3. Definition of management
4. Sheet of scratch paper

Procedure: Using the definition of management including its attributes, construct a poster to relate its meaning.

Activity: Management - I & III-2B Name _____

Period _____

Six Phases of Management

Materials:

1. Poster board of index paper
2. Colored markers or pencils
3. List of six phases of management
4. Sheet of scratch paper

Procedure: Using the list of phases of management, construct a poster or collage relating the six phases to management.

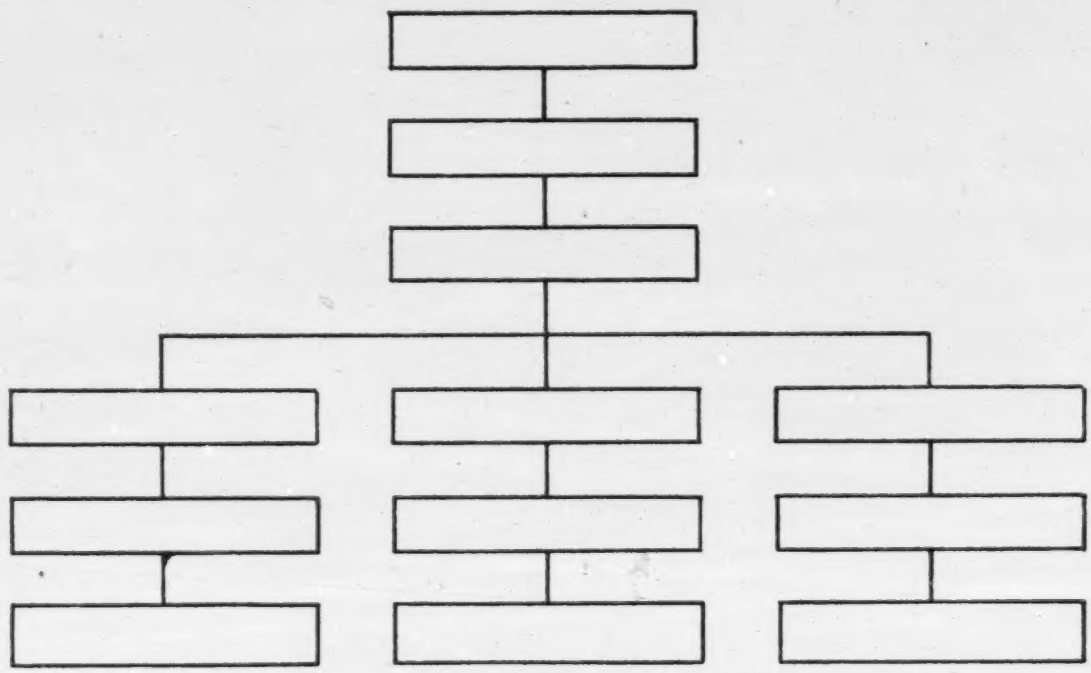
Activity: Management - I & III-3B Name _____

Period _____

School Organizational Outline

Procedure: Take the public school positions listed below and place them into the proper position on the chart.

1. Elementary student
2. Junior High student
3. Senior High student
4. Elementary teacher
5. Junior High teacher
6. Senior High teacher
7. Superintendent
8. Adult in school district
9. Junior High principal
10. Board of education
11. Senior High principal
12. Elementary principal



Activity: Management - I & III-4B Name _____

Period _____

What is the Best Type of Ownership?

Question: Write which type of ownership best applies to the following situations. (Individual proprietorship, partnership, corporation).

1. Most capital available. _____
2. Owned, organized, and operated by one person. _____
3. Business owned by two or more. _____
4. Assumes all risks. _____
5. Shares risks. _____
6. Limited capital to two or more. _____
7. Smallest capital and abilities. _____
8. Make all decisions. _____
9. Authorized by State or Federal government. _____
10. Risk limited to investment. _____
11. Ran by stockholders. _____

Activity: Management - I & III-5B Name _____

Period _____

Desert Crash

Procedure: Suppose you and a friend were involved in an air crash over a desert. The two of you were the only survivors. When the plane crashed, much of the equipment aboard was damaged. For the two of you to survive, you must walk 150 miles to get out of the desert. Below is a list of 15 items undamaged from the crash. Both of you must go together to make it out of the desert to safety. Your task is to rank the items below in order of importance to take with you. Place number 1 in front of the most important and 15 in last. You should rank all items, with the number between 1 and 15.

___ Box of matches

___ Food concentrate

___ 50 feet of rope

___ Parachute silk

___ Two .45 calibre pistols

___ 3 cases of coke

___ One tank of oxygen

___ A movie projector

___ A map of the area

___ Life raft

___ Compass

___ 5 gallons of water

___ Signal flares

___ First-aid kit

___ Umbrella

*The teacher may want to involve the entire class in this activity.

Student Evaluation

Management - I & III

Name _____

Instructor _____

School _____

Directions: Answer all of the following questions to the best of your ability. The questions are written to evaluate your knowledge and understanding of the area of industrial arts covered in this package. Choose the answer which best completes the statement.

1. Managers are:

   a. People who work through other people.
   b. People who organize and coordinate the ideas of management.
   c. Decision-makers who communicate with those beneath them of what is to be done, when it is to be done, and how the work is to be performed.
   d. All of the above.

2. Management is:

   a. Keeping something in the state of repair.
   b. Obtaining and controlling money needed to develop and maintain an enterprise.
   c. An efficient means of organizing all facets necessary to carry out a job.
   d. That segment of education which obtains its materials to be studied from the things that industry does.

3. To establish management, we must:

   a. Keep an accurate record of progress.
   b. Develop a structure known as an organizational outline.
   c. Control input and output charts.
   d. Practice what we preach.

4. In a line type organization,

   a. All people have the same power.
   b. The president is always the boss.
   c. There are many "bosses".
   d. The person or group at the top of the line has control over the entire enterprise.

5. Liability of the owners is greatest

   a. In a corporation
   b. In a partnership
   c. In an individual proprietorship
   d. None of the above

6. Corporations have:

   a. One "boss"
   b. Many workers
   c. High profits
   d. Federal or state government control

7. In a partnership,

   a. The owners share risks and profits
   b. One individual works, the other plays
   c. More capital is available than in a sole proprietorship
   d. Both A and C

8. The essence of management is:

   a. Sharing profits with others.
   b. Making decisions by combining thought and action.
   c. Big businessmen working together.

9. Decision-making involves:

   a. Time
   b. Money
   c. Play and work
   d. Both A and B

10. The phase of management in which future actions are determined based upon available information is:

   a. Planning
   b. Organizing
   c. Implementing
   d. Improving